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Message Text

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PAGE 01 BONN 11323 081257Z

51
ACTION ABF-01

INFO OCT-01 EUR-06 ADP-00 FSE-00 OPR-02 M-03 A-01 /014 W
---------- 034882
R 081250Z AUG 73
FM AMEMBASSY BONN
TO SECSTATE WASHDC 6737

UNCLAS BONN 11323

FOR BP

E.O. 11652: N/A
TAGS: AFIN XX
SUBJECT: DOLLAR POWER II

REF: STATE 064216 AND 151990, BONN 08106

A. EXCHANGE RATE ON AUGUST 1 FOR OFFICIAL TRANSACTIONS WAS DM 2.3520 EQUALS $1.00.

B. SINCE REFTEL (BONN 8106) THE DM HAS BEEN FURTHER REVALUED ON JUNE 29 BY 5.5 PERCENT VIS-A-VIS THE OTHER CURRENCIES PARTICIPATING IN THE JOINT EC FLOAT. IT HAS CONTINUED TO FLOAT AGAINST THE DOLLAR AND HAS FURTHER FLOATED UPWARD BEYOND THE 5.5 PERCENT IN PART DUE TO THE EXTREMELY TIGHT GERMAN MONETARY POLICIES.

C. AUGUST 1 EXCHANGE RATE FOR PERSONAL TRANSACTIONS WAS DM 2.35 EQUALS $L.00.

D. SAME AS "B" ABOVE.

E. THE DM IS CONTINUING TO FLOAT AGAINST THE DOLLAR AND IT IS NOT POSSIBLE TO PREDICT AT THIS TIME WHEN THIS FLOAT WILL COME TO AN END. IT IS NOT POSSIBLE TO PREDICT FUTURE RATES DURING THE REMAINDER OF THIS FISCAL YEAR. DURING JULY, FOR EXAMPLE, THE OFFICIAL FIXING FLUCTUATED BETWEEN DM 2.28 AND DM 2.40 TO THE DOLLAR. DURING THE SAME PERIOD MARKET RATES FLUCTUATED
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BETWEEN DM 2.22 AND DM 2.42 TO THE DOLLAR. THE RATE

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IS LIKELY TO CONTINUE TO FLUCTUATE WIDELY. FOR PLAN-
NING PURPOSES WE SUGGEST USING THE AUGUST 1 FIXING RATE.

THE GERMANY FINANCIAL PLAN FOR 1974 WAS CALCULATED
AT DM 2.74 TO THE DOLLAR. ASSUMING THE AUGUST 1
EXCHANGE RATE OF DM 2.352 TO THE DOLLAR, ADDITIONAL
FUNDS WILL BE REQUIRED IN THE AMOUNT OF $1,768,445
BRINGING REVISED PLAN TOTAL TO $13,168,561.
HILLENBRAND

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 08 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BONN
Handling Restrictions: n/a
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ISecure: 1
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Subject: DOLLAR POWER II
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